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**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric
Company (U 39 M) for Authority, Among
Other Things, to Increase Rates and Charges
for Electric and Gas Service Effective on
January 1, 2023

Application No. 21-06-021
(Filed June 30, 2021)

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY FOR
MODIFICATION OF THE PROCEDURAL SCHEDULE**

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Dated: November 5, 2021

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I. INTRODUCTION

Pursuant to Rules 11.1 and 11.6 of the California Public Utilities Commission’s (“Commission”) Rules of Practice and Procedure and the Assigned Commissioner’s October 1, 2021 Scoping Memo and Ruling (“Scoping Memo”), Pacific Gas and Electric Company (“PG&E”) respectfully submits this motion to modify the Track One procedural schedule in the Scoping Memo. The Scoping Memo provides that “[t]he assigned Commissioner or the assigned Administrative Law Judge may revise the procedural schedule, as necessary.”¹ Modification of the procedural schedule is necessary to promote the efficient and fair resolution of this proceeding. To PG&E’s knowledge, the other parties either support or do not oppose the modifications to the procedural schedule requested herein.²

PG&E proposes schedule modifications in three areas.

¹ Scoping Memo, p. 19, ¶ 2.

² PG&E obtain feedback from the other parties in this proceeding regarding the proposed changes in dates for rebuttal testimony and evidentiary hearings as required by Rule 11.6. The following parties provided feedback on PG&E’s proposal: (1) *Support*: the Coalition of California Utility Employees; Southern California Edison Company (SCE); Southern California Gas Company and San Diego Gas & Electric Company; (2) *Do not oppose*: Office of the Public Advocates at the California Public Utilities Commission (“Cal Advocates”); AARP; California Farm Bureau Federation; Central Valley Gas Storage; Lodi Gas Storage; City of Palo Alto; Peninsula Corridor Joint Power Board (“Caltrain”); Small Business Utility Advocates; Southern California Generation Coalition; Wild Goose Storage; (3) *No position*: Joint Community Choice Aggregators.

The Utility Reform Network does not oppose PG&E’s request for more time for rebuttal testimony and the resultant move of hearings from May to June 2022. TURN reserves the right to seek additional changes to the schedule in the future. Indicated Shippers, Energy Producers and Users’ Coalition (“EPUC”) and California Large Energy Consumers Association (“CLECA”) do not oppose the proposed change in the schedule. Indicated Shippers, EPUC, and CLECA did not support another aspect of PG&E’s original scheduling proposal that PG&E subsequently withdrew as part of the meet and confer process. Mussey Grade Road Alliance does not object to the changes proposed in this motion but raised concerns with other dates in the schedule not impacted by this motion.

First, PG&E proposes to lengthen the period to prepare rebuttal testimony to 45 days, consistent with the Commission’s Rate Case Plan (“RCP”), rather than 30 days as provided in the Scoping Memo. This would allow for limited discovery and the development of more thorough and well-organized testimony and would likely reduce issues in dispute.

Second, PG&E proposes to delay the start of evidentiary hearings by three weeks to accommodate the additional time needed for the preparation of rebuttal testimony.

Third, PG&E requests an earlier resolution of PG&E’s July 16, 2021 motion for a January 1, 2023 effective date. Given the Commission’s expectation to issue a decision in this matter deep into the test year, the timely resolution of PG&E’s motion would provide needed certainty to PG&E financial planners and investors.

As discussed below, the proposed modifications would promote the orderly presentation of the evidence, the development of an informed record, and a fair and efficient resolution of this matter without delaying the Commission’s resolution of the proceeding.

II. DISCUSSION

A. The Time to Prepare Rebuttal Testimony Should be Increased.

The Scoping Memo provides an abbreviated period of 30 days for the parties to conduct discovery on intervenors’ testimony and prepare rebuttal testimony. This 30-day period is significantly less than the Commission approved in the most recent RCP decision for General Rate Cases (“GRCs”) and in Scoping Memos for other recent utility rate cases.

Under the RCP decision, parties have 45 days to prepare rebuttal testimony following the service of testimony from the Public Advocates Office (“Cal Advocates”) and intervenors.³ Meeting this 45-day deadline in itself would be challenging given the vast number of issues in the case.⁴ In the 2020 GRC, by contrast, parties had 68 days to prepare rebuttal testimony following Cal Advocates’ testimony, including 40 days to prepare rebuttal regarding the other parties’ testimony.⁵ There is no justification

³ D. 20-01-002, Appendix A, Table 1.

⁴ Scoping Memo, p. 13.

⁵ A.18-12-009, 2020 GRC Scoping Memo (Mar. 8, 2019) p. 8 (Cal Advocates testimony due June 28, 2019 and rebuttal testimony due Sept. 4, 2019, as clarified in an ALJ ruling dated Mar. 13, 2019); *See also* PG&E’s 2017 GRC (A.15-09-001) (49 days); SCE 2021 GRC (A.19-08-013) (63 days); Sempra 2019 GRC (A.17-10-007) (66 days); PG&E 2019 Gas Transmission and Storage Rate Case (A.17-11-009) (52 days).

for a further reduction to the rebuttal period here. PG&E proposes the allotted time should be extended to 45 days consistent with the RCP schedule.

The additional fifteen days is warranted given the complexity and importance of the proceeding. There are twenty-four other parties with diverse interests and issues. This is the first GRC to include PG&E's gas transmission and storage assets since 1997, and thus necessarily will be more complicated and time consuming to address. A 30-day period for both discovery and rebuttal testimony is insufficient to conduct discovery and prepare thorough and well-organized testimony to aid in the resolution of this proceeding. Such an abbreviated period significantly disadvantages PG&E and harms the development of the evidentiary record. As a matter of fundamental fairness and due process,⁶ PG&E, as the applicant carrying the initial evidentiary burden, should have adequate opportunity to conduct discovery on and respond to intervenor testimony regarding PG&E's proposal and forecasts. Increasing this time would also benefit the Commission and other parties by allowing a better understanding and clearer record of testimony, reducing the number of issues in dispute, and facilitating the development of a more informed evidentiary record.

As indicated below in Section III below, this schedule change can be managed without delaying the resolution of the proceeding as it would not change any post-hearing activities in the schedule.

B. Evidentiary Hearings Should Be Delayed Until June 6.

To accommodate the additional days requested for the preparation of rebuttal testimony, PG&E proposes to delay the evidentiary hearings from May 16, 2022 and instead start them on June 6, 2022. During the month of May, PG&E and other parties would continue to meet and confer consistent with the timeframe in the Scoping Memo.

⁶ See e.g., *Railroad Comm'n of Cal. v. Pac. Gas & Elec. Co.*, 302 U.S. 388, 393-94 (1938) ("When the rate-making agency of the state gives a fair hearing, receives and considers the competent evidence that is offered, affords opportunity through evidence and argument to challenge the result, and makes its determination upon evidence and not arbitrarily, the requirements of procedural due process are met").

C. PG&E’s Motion for a January 1, 2023 Effective Date Should Be Granted This Year.

PG&E also requests to modify the schedule to expedite a ruling on its July 16, 2021 motion for a January 1, 2023 effective date for its 2023 revenue requirement.⁷ No party objected or otherwise responded to PG&E’s Motion. It stands unopposed.

The relief that PG&E seeks – an effective date of January 1, 2023 for the revenue requirement adopted in this proceeding – is consistent with the determination of this issue in PG&E 2020 rate case and many other utility rate cases.⁸ The Commission has explained that it routinely grants motions for a revenue requirement to be effective on the first day of the rate case period so that customers and utility investors are indifferent to the precise date that the final decision is issued.⁹

Perhaps a different approach was taken in the Scoping Memo because of confusion about the relief PG&E seeks in its Motion. That is, the Scoping Memo schedule indicates a Commission decision on PG&E’s “Motion for Interim Rates” will be issued in the fourth quarter of 2022.¹⁰ To be clear, PG&E did not request “interim rates” to be established in this proceeding. Interim rates typically call for the granting of a temporary increase during the pendency of a proceeding or otherwise, subject to refund if the proceeding decides that such rates were not warranted. This is not what PG&E proposed.

Instead, PG&E requested that the revenue requirement that the Commission approves for 2023 be effective beginning January 1, 2023, regardless when the decision issues. Thus, if the decision issues in late 2023, the decision would include in the calculation of the rate change the amount the rates would have been in effect dating back to January 1, 2023. To avoid the bar on retroactive ratemaking, either a Commission decision or an Administrative Law Judge ruling authorizing use of the memorandum

⁷ *Motion Of Pacific Gas And Electric Company (U 39 M) Requesting An Order To Make New Revenue Requirements And Associated Ratemaking Mechanisms Effective January 1, 2023* (“Motion”) (July 16, 2021).

⁸ D.02-12-073, pp. 7-8; D.06-10-033, pp. 3-4; D.10-11-018, p. 4; D.13-04-023, pp. 3-4; D.16-03-009, p. 5, Ordering Paragraph (OP) 2; D.19-11-004, pp. 7-8, OPs 1 and 2; See also *Administrative Law Judges’ Ruling Granting Southern California Edison Company’s Motion to Establish a Memorandum Account*, A.19-08-013 (Nov. 23, 2020); *Administrative Law Judges’ Ruling Addressing Motion Of Pacific Gas and Electric Company Requesting An Order Making Gas Transmission And Storage Revenue Requirement Effective January 1, 2019*, A.17-11-009 (Dec. 11, 2018); *Administrative Law Judge’s Ruling Granting Motion to Establish General Rate Case Memorandum Accounts*, A.17-10-007 (June 7, 2018); *Administrative Law Judges’ Ruling Granting Southern California Edison Company’s Motion To Establish A Memorandum Account*, A.16-09-001 (Dec. 15, 2017).

⁹ D.13-04-023, p. 3; see also, D.03-05-076, pp. 5-6.

¹⁰ Scoping Memo, p. 15.

accounts is necessary.¹¹ While the Scoping Memo calls for a Commission decision on PG&E’s motion, it could also be more efficiently resolved, as it has been many times previously, through an Administrative Law Judge ruling.¹²

Delaying a ruling on PG&E’s Motion until the end of 2022 as provided in the Scoping Memo unnecessarily increases uncertainty for PG&E’s financial planners, as well as the investment community – on which PG&E relies for capital to continue to finance investments – regarding the stability of PG&E’s rates and whether the timing of the rate increase decision would negatively impact PG&E’s finances. Delaying a decision on the Motion until the eve of the test year creates the same uncertainty regarding PG&E’s rates that PG&E sought to avoid by filing the Motion. Because a Commission decision is not required to resolve the Motion, PG&E requests that the assigned Administrative Law Judge issue a ruling on its motion in the fourth quarter of 2021.

III. PROPOSED TRACK 1 SCHEDULE MODIFICATIONS

For the reasons set forth above, PG&E respectfully requests the following schedule modifications:

Proposed Schedule Modifications

Event	Scoping Memo Track 1 – Review of 2023 TY Revenue Requirement and Attrition Years 2024, 2025, 2026	Proposed Modification
Administrative Law Judge Ruling on the July 16, 2021 PG&E Motion for January 2023 effective date.	Fourth Quarter 2022	Fourth Quarter 2021
Intervenors - Opening Testimony	March 30, 2022	none
Concurrent Rebuttal Testimony	April 29, 2022	May 16, 2022
Evidentiary Hearings begin (virtual)	May 16, 2022	June 6, 2022
Evidentiary hearings end (virtual)	May 31, 2022	June 20, 2022

¹¹ Motion, p. 2.

¹² See *Administrative Law Judges’ Ruling Granting Southern California Edison Company’s Motion to Establish a Memorandum Account*, A.19-08-013 (Nov. 23, 2020); *Administrative Law Judges’ Ruling Addressing Motion Of Pacific Gas and Electric Company Requesting An Order Making Gas Transmission And Storage Revenue Requirement Effective January 1, 2019*, A.17-11-009 (Dec. 11, 2018); *Administrative Law Judge’s Ruling Granting Motion to Establish General Rate Case Memorandum Accounts*, A.17-10-007 (June 7, 2018); *Administrative Law Judges’ Ruling Granting Southern California Edison Company’s Motion To Establish A Memorandum Account*, A.16-09-001 (Dec. 15, 2017).

The proposed revisions to the procedural schedule are intended to provide sufficient time for the parties to develop fully the facts, prepare comprehensive and informed testimony, and narrow the issues in dispute to streamline the evidentiary hearings. The modified schedule will promote the efficient and fair resolution of the proceeding and provide the Commission with a more complete record necessary to reach a reasoned decision.

IV. CONCLUSION

For the foregoing reasons, PG&E requests that the Commission grant this motion and adopt the modified procedural schedule proposed herein.

Respectfully submitted,

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